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Report Highlights:

Malaysia relies on imports to satisfy local demand for grain commodities including rice, corn, and wheat. In Marketing Year (MY) 2025/26, Malaysia's rice production is expected to increase slightly due to improved seed varieties, government incentives, and expanded planting areas. Growing snack food manufacturing and bakery industries are projected to lead to increased Food, Seed, and Industrial (FSI) consumption of corn and wheat.

Executive Summary

Malaysia's grain sector is experiencing moderate changes influenced by weather patterns, government policies, and shifting consumption trends. Post forecasts Market Year (MY) 2025/26 rice production to rebound slightly with an increase in harvested area and milling rate compared to MY 2024/25, supported by improved seed varieties, better milling efficiency, and government incentives such as increased floor prices and subsidies. However, expansion is limited due to infrastructure constraints and aging farmers. Floods in key growing states like Kedah and Kelantan during MY2023/24 significantly affected production estimates.

Corn production remains negligible, with Malaysia reliant on imports, forecast at 3.8 million metric tons (MT) for MY2025/26. A decline in poultry feed demand due to reduced parent stock availability and a pork industry continuing to battle African Swine Fever (ASF) outbreaks are expected to slightly reduce total corn consumption. However, demand from the corn-based snack industry continues to grow steadily.

Wheat consumption is also on the rise, particularly in urban areas, driven by changing diets and increased demand for convenience foods. MY2025/26 wheat imports are projected at 2.035 million MT, an increase in food, seed, and industrial use. Feed usage remains flat due to higher relative costs and limited demand from livestock sectors.

Rice

Production

FAS/KL forecasts MY2025/26 harvested area to increase approximately two percent to 620 thousand hectares, on the assumption of normal weather patterns for the MY, infrastructure investment, and increased incentive to produce and sell paddy outweighing competition to sell land for commercial development. Milled rice production is also expected to increase by two percent to 1,615 thousand MT on increased rough production due to improved seed quality and hectare harvested, as well as technology advancements slightly improving milling rate.

FAS KL revised the area harvested in MY2023/24 and MY2024/25 at 590 thousand hectares and 610 thousand hectares respectively. The significant decline in harvested area for both years is attributed to several factors, including a change in the methodology used by the Government of Malaysia (GOM) in calculating Self-Sufficiency Ratio. The new method only includes rice harvested for food purposes, excluding areas used for seed production.

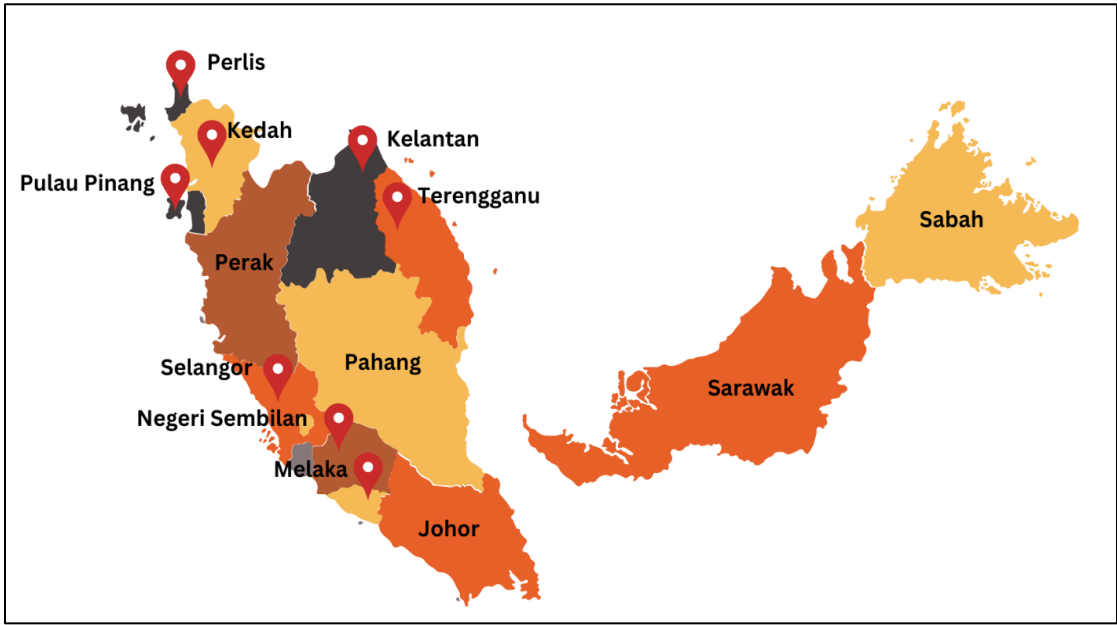
In Feb 2025, the GOM increased the minimum guaranteed purchasing price for paddy farmers from RM1,300/MT to RM1,500/MT. Previously, the government had increased the subsidy given for every MT of rice produce from RM360 to RM500. Farmers now earn a total minimum of RM2,000/MT (roughly USD455)¹. Farmers are also encouraged to participate in the [Padi Smart SBB](#)² (5-season rice planting program over a two-year period). Industry believes a rest of one month between seasons is sufficient for the soil to recover before a new plantation period starts.

While the government has expressed goals to significantly increase area planted and harvested year-over-year, limited land, inadequate infrastructure, and strong competition for commercial development of land are highlighted by industry contacts to limit actual expansion and production increase far less than desired. Additionally, an aging farmer population is expected to further stagnate area planted and production.

¹ Exchange rate as of March 27, 2025, at Bank Negara Malaysia

² Resource in Bahasa

Figure 1: States In Malaysia Producing Rice



Source: 2024 Crop Statistic Booklet, Department of Agriculture (DOA) Malaysia

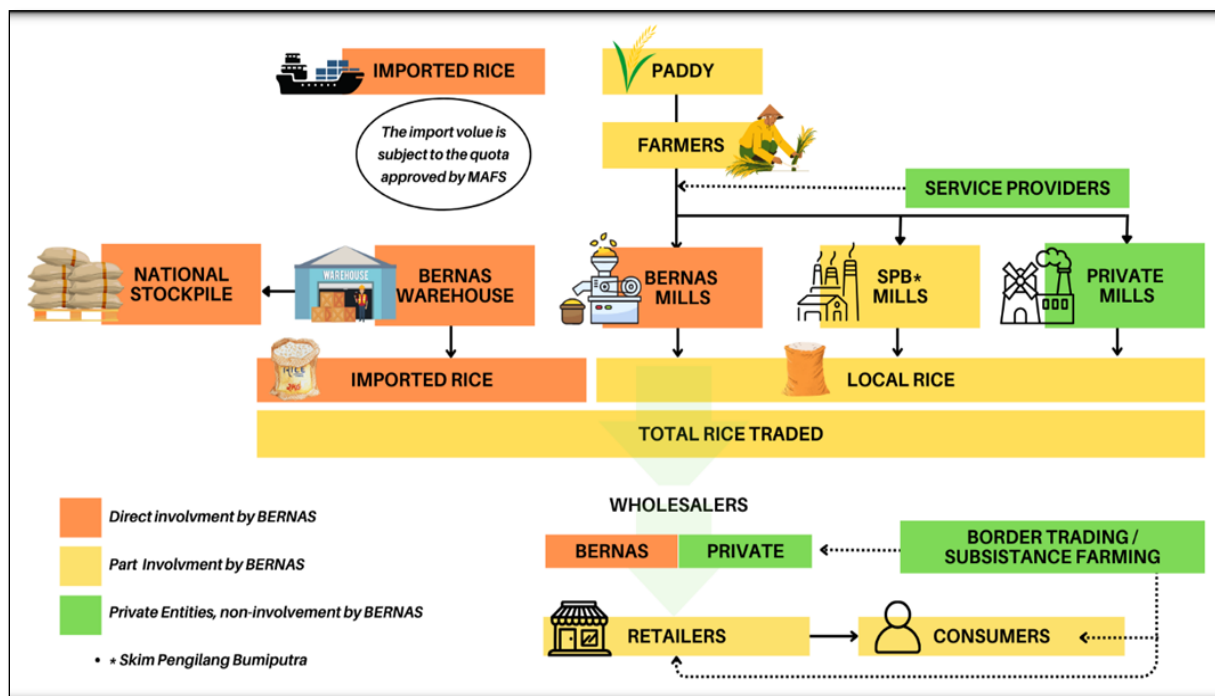
Table 1: Rice Production based on Region in Malaysia

State	Johor	Kedah	Kelantan	Melaka	Negeri Sembilan	Pahang	Perak	Perlis	Pulau Pinang	Selangor	Terengganu	Sabah	Sarawak
Percentage Produce	0.5%	34.8%	12.44%	0.42%	0.18%	2.2%	13.13%	11.37%	5.7%	7.51%	2.47%	4.57%	4.72%

Source: 2024 Crop Statistic Booklet, DOA Malaysia

Lembaga Padi Negara, currently known as Padiberas Nasional Berhad (BERNAS), was established in 1971 and is the sole authorized rice importer in Malaysia. Besides managing imported rice, BERNAS also buys local rice from farmers and processes the paddy in mills owned by BERNAS located across the country. Private companies and Bumiputera entrepreneurs also involved in these activities as well but at their own mills and ability.

Figure 2: BERNAS Supply Chain Involvement



Source: BERNAS

Muda Agricultural Development Authority (MADA) is an agency that is supervised by the Ministry of Agriculture and Food Security (MAFS) and represents the Kedah region, which accounts for approximately 35 percent of total rice production in Malaysia annually. Recently, in the [2025 Budget](#), RM 1 billion has been given to upgrade the current infrastructure in the paddy plantation area under MADA’s supervision.

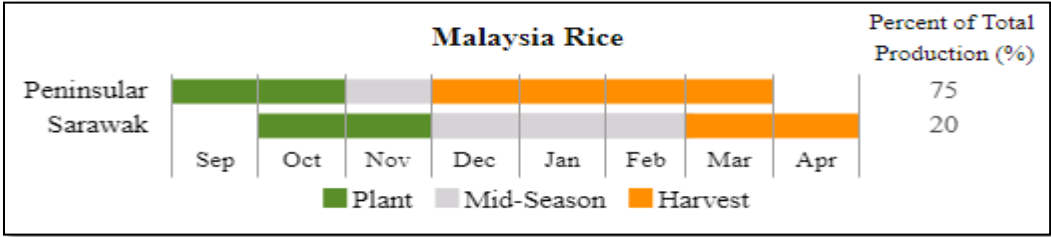
MADA surveyed farmers under their supervision to evaluate average rice production based on different varieties and the results are as in Table 3. Most farmers in MADA choose to use MARDI SIRAJ 297 variety. Farmers prefer choosing this variety because it shows increasing yields year-over-year and has a high resistance to insects’ attack. Additionally, the seeds for this variety are also easily access in the market.

Table 2: MADA Farmers Use of Paddy Varieties

No.	Variety	Variety Number of Farmers		Percentage Increased (%)
		2022	2023	
1.	MARDI SEBERNAS 307	6	8	33.33
2.	MR 269	9	9	0
3.	MARDI SIRAJ 297	456	567	24.34
4.	MR 220 CL2	101	64	-36.63

Source: Crop Cutting Survey by MADA

Figure 3: Malaysia Rice Production Cycle



Source: U.S. Department of Agriculture

Area harvested and production numbers are lowered for MY 2023/24 on weather challenges. In Malaysia, Kedah and Kelantan are among the largest state rice producers. During MY 2023/24, large areas of rice cultivation were affected by the floods in Kedah, Perlis and Kelantan.

Typically, rice planting season in Malaysia begins in September. However, in September 2024, 5.8 thousand hectares of rice crops in the Northern Peninsular Malaysia were submerged by floods with the estimated value of crop losses at 32 million Malaysian Ringgit (RM) by the Government of Malaysia (GOM). Additionally, in November 2024, the states were once again struck by floods, but this time the flooding submerged a larger rice cultivation area, covering 42,000 hectares, particularly paddy fields in the MADA region or under supervision of the Lembaga Kemajuan Pertanian Kemubu (KADA). Industry highlighted the flooding in November into early December as significantly affecting paddy fields at the beginning of harvest season, estimating a 50 percent reduction in output during the season from the affected states.

Consumption

FAS/KL estimates MY2025/26 rice consumption at 3.25 million MT to align with the projected population increase of Malaysia of two percent yearly.

Consumption of rice is expected to increase year-to-year in line with Malaysia’s population growth. Rice remains the dominant carbohydrate source in Malaysia. The local rice ST-15 variety, a 5 percent broken type of rice, has the largest local rice market share due to the low price and high availability. Recently, GOM set a ceiling price for the local rice ST-15 at RM26 (roughly USD6)³ for each 10 kilogram bag and [provide subsidies](#)⁴ to encourage farming and production of rice. When it comes to imported rice, consumers from Peninsular Malaysia prefer white rice with a harder texture (generally from India and Pakistan) compared consumers in Borneo, who prefer a softer texture white rice (from Vietnam).

FAS/KL revised MY2024/25 and MY2023/24 rice consumption to increase between six and eight percent respectively to account for population growth and increased import projections.

³ Exchange rate as of March 27, 2025, at Bank Negara Malaysia

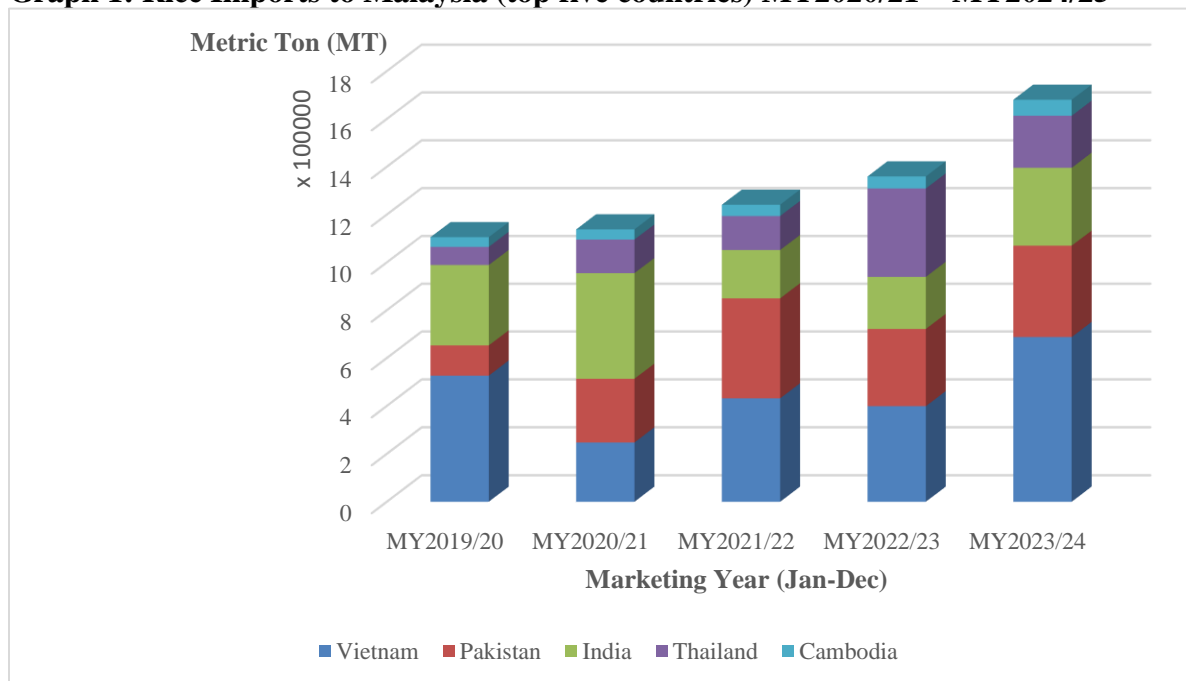
⁴ Link in Bahasa

Trade

Imports

Post predicts MY2025/26 imports at 1.75 million MT, unchanged year-over-year on the assumption of minimal price and world-wide supply change.

Graph 1: Rice Imports to Malaysia (top five countries) MY2020/21 – MY2024/25



Source: Trade Data Monitor (TDM)

As the sole authorized rice importer in Malaysia, BERNAS plays the major role ensuring the supply of rice in the local market is sufficient, and consumers get a fair and stable price.

BERNAS gets the highest supply of 5 percent broken imported white rice from Vietnam, India, and Pakistan. Industry stakeholders claim not to face significant barriers in obtaining rice, and moving around origin country as needed, thus price is a significant factor in where imported rice in Malaysia originates.

Recently, India resumed their white rice exports after the domestic rice prices began to stabilize. This increase in supply in the world market has led to greater competition due to surplus of supply in the global market, and lower prices.

Post revised imports for MY2023/24 at 1.695 million MT to align with official data from TDM, and revised MY2024/25 imports to 17.5 million MT, driven by declining global price. As rice prices have been falling since 2024 and are expected to stay low in 2025, importers are likely to boost trade to meet rising consumption demand and pad stocks.

Exports

Post projects exports to be unchanged in MY 2025/26 compared to the previous MY, on increased consumption and sufficient ending stocks, assuming price trends maintain year-over-year.

Post revised exports for MY2023/24 up to align with official data from Trade Data Monitor (TDM). Similarly, exports for MY2024/25 are revised up on an increase in total supply projections.

Stocks

FAS/KL forecasts MY2025/26 ending stocks to increase to 260 thousand MT, based on higher beginning stocks and production outpacing the slight increase in consumption.

BERNAS is mandated by the GOM to maintain and manage a strategic rice stockpile that the Ministry of Agriculture and Food Security (MAFS) advises be set a minimum of 200 thousand MT. According to industry sources, actual stocks can fluctuate between 200 and 400 thousand MT depending on trade and consumption. In years when prices are low stocks may trend towards the higher end of the range.

Post revised stocks for MY2023/24 down on lower beginning stocks, decreased milled production estimates and increased export and consumption estimates offsetting an increase in import projections. MY 2024/25 stocks are also revised down to account for lower beginning stocks, yet are projected to increase year over year from MY 2023/24.

Table 3. Production, Supply, and Distribution; Rice; MY 2023/24-2025/26

Rice, Milled Market Year Begins Malaysia	2023/2024		2024/2025		2025/2026	
	Jan 2024		Jan 2025		Jan 2026	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	645	590	660	610	0	620
Beginning Stocks (1000 MT)	239	239	350	205	0	245
Milled Production (1000 MT)	1620	1500	1750	1575	0	1615
Rough Production (1000 MT)	2492	2344	2692	2442	0	2485
Milling Rate (.9999) (1000 MT)	6500	6400	6500	6450	0	6500
MY Imports (1000 MT)	1695	1695	1500	1750	0	1750
TY Imports (1000 MT)	1695	1695	1500	1750	0	1750
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	3554	3434	3600	3530	0	3610
MY Exports (1000 MT)	104	104	125	100	0	100
TY Exports (1000 MT)	104	104	125	100	0	100
Consumption and Residual (1000 MT)	3100	3125	3150	3185	0	3250
Ending Stocks (1000 MT)	350	205	325	245	0	260
Total Distribution (1000 MT)	3554	3434	3600	3530	0	3610
Yield (Rough) (MT/HA)	3.8636	3.9729	4.0788	4.0033	0	4.0081
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Corn

Production

Post estimates negligible production and area harvested in MY2025/26, unchanged from MY2024/25 revised projections. While the Government of Malaysia (GOM) has expressed interest in producing corn, current production remains minimal.

Post revises MY2023/24 and MY2024/25 production and area harvested projections to zero, to also align reporting with official USDA reporting, which does not include the production of sweet corn.

Consumption

Feed and Residual Consumption

FAS/KL forecasts MY2025/26 Feed and Residual consumption will reduce from MY2024/25 to 3.45 million MT due to a projected decline in the livestock population and demand for feed.

Corn is the main ingredient in producing animal feed mainly in the livestock industry. Industry reports, a mixture of corn and soybeans in a ratio of 55 to 60 percent corn and 25 to 30 percent soybeans are needed. The industry reports that milling capacity is at 60 percent.

Malaysia imports most of its chicken parent stock from Australia and New Zealand. Recent outbreaks of various strains of bird flu in both countries have led to industry sources' increased concern of parent stock availability and fluctuating policies that have stopped trade of day old chicks intermittently to Malaysia. With the outbreaks of H5N1 and other strains, worldwide supply of parent stock that fit in Malaysia's strict biosecurity regulations are down.

The decrease in expected demand for poultry feed in MY2025/26 is not offset by a marginally increasing swine herd and demand for swine feed. Imports of swine have increased, but the total swine population remains below average and is struggling to recover from African Swine Fever (ASF) outbreaks. Noting continued outbreaks throughout Peninsular Malaysia and Borneo, post expects recovery to remain slow and marginal through MY2025/26, leading to only minimal increases in demand of corn for feed.

MY2023/24 and MY2024/25 Feed and Residual consumption forecasts are unchanged.

Food, Seeds and Industrial (FSI) Consumption

FAS/KL forecasts FSI consumption in MY2025/26 to increase by five thousand MT to 355 thousand MT due to a higher demand from the corn-based food industry. The corn-based snack industry in Malaysia has shown notable growth, particularly within the extruded snack segment. These snacks have gained popularity due to their appealing textures, flavors and perceived health benefits. Key factors driving this growth include shifting of consumer preferences, increasing urbanization and the rise of busy lifestyles.

According to forecasts the snacks markets like the tortilla chips, flips and pretzels in Malaysia, [is expected to reach USD 428 million by 2025](#). This growth is largely fueled by the rising demand for convenience on-the-go snack options. Overall, these projections suggest a positive outlook for the corn-based snack industry in Malaysia, in line with broader regional trends in the savory snacks market.

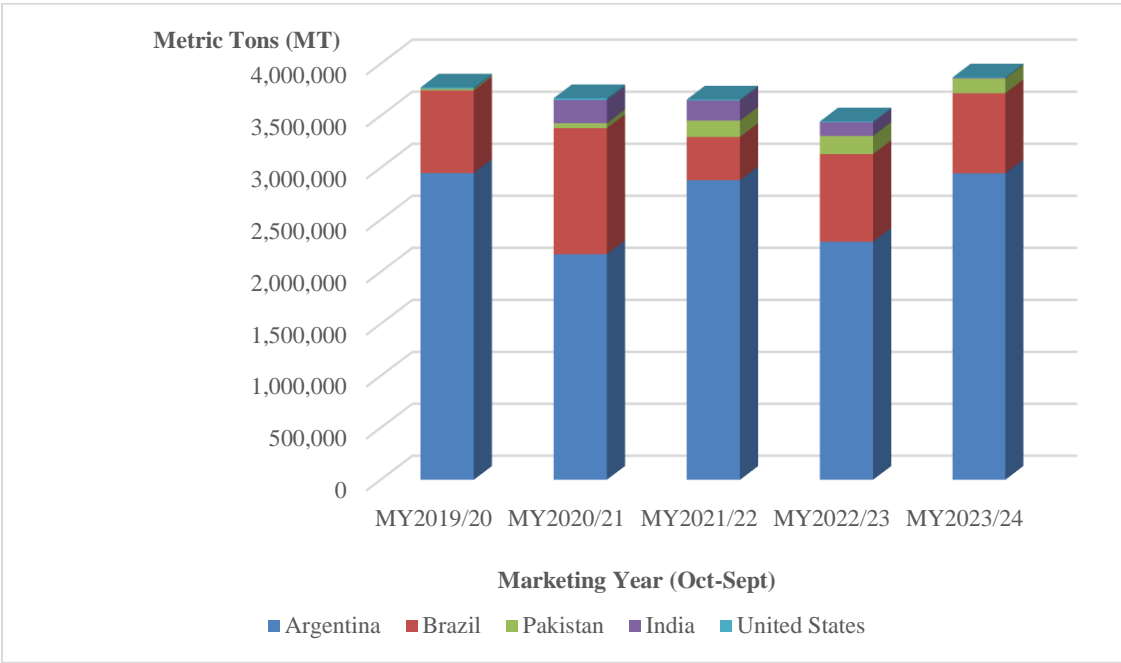
FSI consumption estimates in MY2023/24 has been revised upwards to 349 thousand MT due to an increase in Malaysia’s food processing sector output.

Trade

Import

FAS/KL forecasts corn imports for MY2025/26 at 3.8 million MT, a decrease of 100 thousand MT from the MY2024/25 estimate, due to a projected decline in feed and residual consumption.

Graph 2: Corn Exports to Malaysia (top five countries) MY2019/20-2023/24



Source: Trade Data Monitor (TDM)

The highest volume of corn imports in Malaysia originates from Argentina, followed by Brazil. The corn from these countries meets the quality specifications desired for animal feed production with low moisture content (13.5 - 14 percent), high xanthophyll content and hard kernel structure making it highly sought after by industrial players.

In comparison, corn imported from United States has higher moisture content (approximately 15.5 percent), but low xanthophyll content. Xanthophyll causes the addition of a darker color in chicken meat. According to industry, the Malaysian consumer links a light chicken to a sickly one, and prefers a darker chicken meat, causing industry to desire feed with higher amounts of xanthophyll.

Nevertheless, corn imports from United States are forecast to increase in MY2024/25 and MY2025/26 due to higher FSI consumption compared to MY2023/24 as the food processing industry is expected to marginally grow.

MY 2023/24 imports are revised to align with official data from Trade Data Monitor (TDM). An estimated recovery in worldwide supply of corn in MY 2024/25 signal competitive prices and a favorable import environment for Malaysia.

Export

FAS/KL forecasts that corn exports will remain unchanged in MY2025/26 from the revised MY2024/25 estimate to satisfy local demand and healthy stocks as the worldwide market becomes more competitive. Most corn exports are cross border trade with Indonesia.

FAS KL revised MY2024/25 exports downward to five-thousand MT to align with official data from TDM from October to January, on significant decreases in exports to the top three destinations of Brunei, Indonesia, and Singapore. MY 2023/24 exports are revised down to align with official TDM data.

Stocks

FAS/KL forecasts ending stocks for MY2025/26 to be 10 thousand MT lower from the revised MY2024/25 projections from a lower carry-over stock and decreases in imports offsetting a decrease in consumption projected.

FAS KL revised stocks for MY2023/24 and MY2024/25 down to reflect a new approach in production not offset by an increase in imports projected.

Table 4. Production, Supply, and Distribution; Corn; MY 2023/24-2025/26

Corn Market Year Begins Malaysia	2023/2024		2024/2025		2025/2026	
	Oct 2023		Oct 2024		Oct 2025	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	10	0	10	0	0	0
Beginning Stocks (1000 MT)	195	195	266	259	0	254
Production (1000 MT)	60	0	60	0	0	0
MY Imports (1000 MT)	3870	3872	3700	3900	0	3800
TY Imports (1000 MT)	3870	3871	3700	3900	0	3800
TY Imp. from U.S. (1000 MT)	24	5	0	null	0	null
Total Supply (1000 MT)	4125	4067	4026	4159	0	4054
MY Exports (1000 MT)	9	9	10	5	0	5
TY Exports (1000 MT)	9	9	10	5	0	5
Feed and Residual (1000 MT)	3500	3450	3500	3550	0	3450
FSI Consumption (1000 MT)	350	349	350	350	0	355
Total Consumption (1000 MT)	3850	3799	3850	3900	0	3805
Ending Stocks (1000 MT)	266	259	166	254	0	244
Total Distribution (1000 MT)	4125	4067	4026	4159	0	4054
Yield (MT/HA)	6	0	6	0	0	0
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Wheat

Production

Malaysia produces negligible wheat domestically due to unsuitable climatic and soil conditions.

Consumption

Feed and Residual Consumption

FAS/KL forecasts Feed and Residual consumption to remain steady at 50 thousand MT in MY2025/26. Wheat consumption in Malaysia is primarily driven by the food industry, with products like bread and pastries. Though the demand is growing, the growth does not significantly have impact for the Feed and Residual consumption as majority of the wheat imports are allocated for food rather than feed.

In Malaysia, wheat is not a primary ingredient in animal feed formulations. Livestock industry relies more heavily on corn and other by-products as the main feed source. Therefore, the demand for wheat for feed purposes is low and shows no significant increase. The feed and residual category in wheat consumption also includes losses during storage and transportation.

FAS/KL revises and MY2024/25 and MY2023/24 Feed and Residual consumption also to remain unchanged at 50 thousand MT.

Food, Seeds and Industrial (FSI) Consumption

FAS/KL forecasts FSI consumption to increase of 40 thousand MT in MY2025/26 to allocate for an increasing population of about two percent per year, and increased consumption trends towards wheat-based products. Different lifestyles, preference for ready-to-eat wheat-based foods like bread and bakery products, and increasing incomes levels also led to the increase in wheat-based food consumption. Industries estimated wheat consumption rates in large cities are higher than in rural areas. Wheat consumption in urban areas is around 40-42kilogram (KG) per year per person compared to in rural areas, wheat consumption is between 36-40KG per year per person. Wheat processing factories in Malaysia are only utilizing 60 percent of their capacity: while some are undergoing renovation, they are not expanding.

FAS/KL revises FSI consumption for MY2024/25 up 45 thousand MT from previous estimates due to a rising trend in dietary habits especially in urban areas and on a rising population of approximately two percent annually.

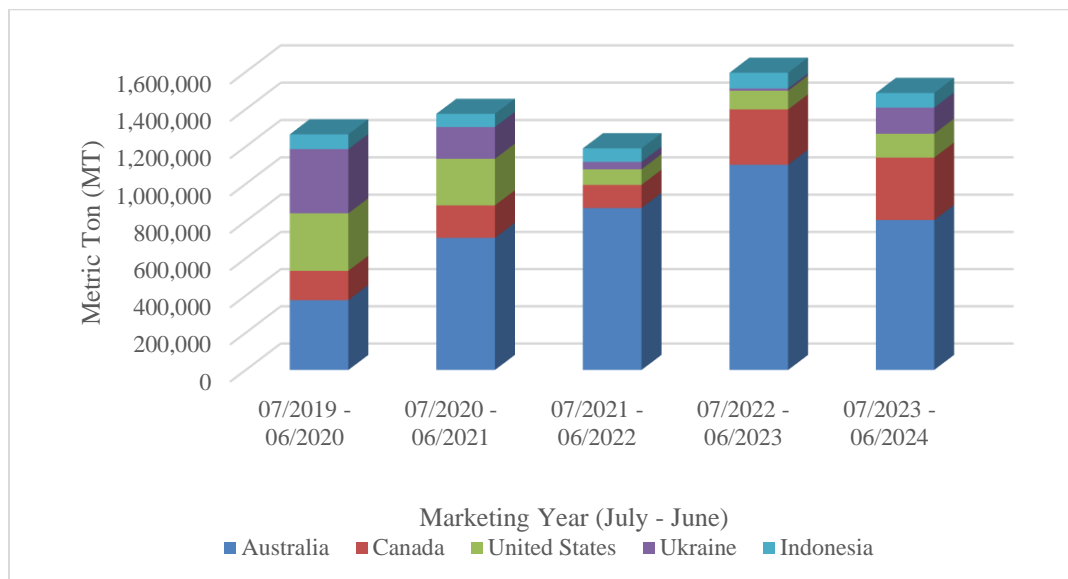
Trade

Import

FAS/KL forecasts wheat imports for MY2025/26 at two million MT, an increase from MY2024/25 estimate due to a higher demand for consumption.

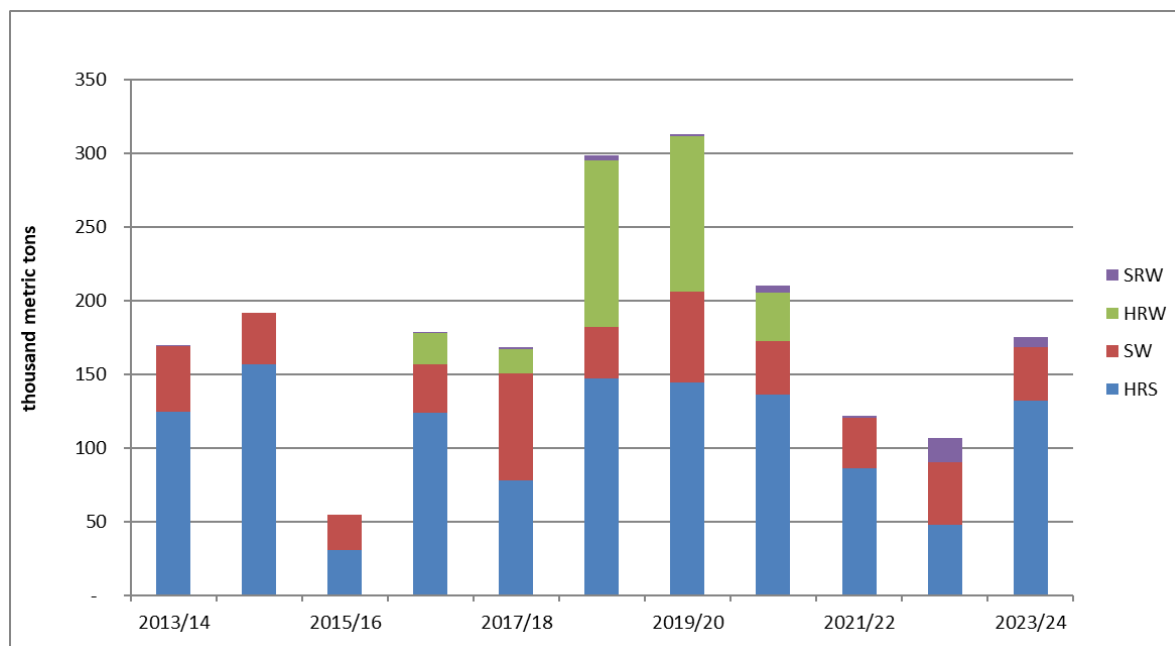
Malaysia relies entirely on imports to meet its wheat demand. The rising population and evolving dietary preferences have led to increased consumption of wheat-based products. This shift has led to an overall trend in increased wheat imports. Rapid economic development and urbanization have also contributed to a higher demand for convenient, processed foods, many of which are wheat-based.

Graph 3: Wheat Imports by Malaysia (top five Countries) MY2019/20-MY2023/24



Source: Trade Data Monitor (TDM)

Graph 4: Wheat Exports to Malaysia from United States; MY 2013/14-2023/24⁵



Source: US Wheat Associates

Malaysia imports a variety of wheat from the United States, with Hard Red Spring (HRS) wheat being the most imported due to its high protein content and excellent gluten quality. HRS wheat is widely used for making dough, croissants, and pizza crusts, making it highly sought after in the local market. It is

⁵ Hard Red Spring (HRS); Hard Red Winter (HRW), Soft Red Winter (SRW); Soft White (SW)

followed by Hard Red Winter (HRW) wheat and a few other varieties. Imports of Hard Red Winter (HRW) wheat has historically been according to trends in Malaysia's imports from Australia. In years when Australia has a drought or low production, Malaysia will import HRW from the U.S., however when supply is average or high from Australia, U.S. exports of HRW to Malaysia are minimal.

FAS/KL revised wheat import estimates for MY2024/25 to be 1.955 million MT and MY2023/24 to be 1.91 million MT from previous estimates to be in line with official data from Trade Data Monitor (TDM).

Export

FAS/KL forecasts that wheat exports to decline in MY2025/26 from the revised MY2024/25 estimate by 10 thousand MT to allow for an increase in consumption and ensure sufficient ending stocks.

FAS KL revised wheat exports in MY2024/25 to 155 thousand MT and MY2023/24 to 154 thousand MT to reflect official data in TDM.

Stocks

FAS/KL forecasts a decrease in ending stocks for MY2025/26 by five thousand MT from the MY2024/25 estimate on lower beginning stocks and increased consumption offsetting the estimated increase in imports.

FAS/KL revised stocks in MY2024/25 upwards on an increase in imports projections offsetting an increase in exports and consumption. FAS KL revised stocks in MY2023/24 down on a lower beginning stocks and increased exports offsetting an increase in import projections.

Table 5. Production, Supply and Distribution; Wheat, MY 2023/24-2025/26

Wheat Market Year Begins Malaysia	2023/2024		2024/2025		2025/2026	
	Jul 2023		Jul 2024		Jul 2025	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	0	0	0	0	0	0
Beginning Stocks (1000 MT)	312	312	258	258	0	203
Production (1000 MT)	0	0	0	0	0	0
MY Imports (1000 MT)	1910	1910	1975	1955	0	2035
TY Imports (1000 MT)	1910	1910	1975	1955	0	2035
TY Imp. from U.S. (1000 MT)	157	157	0	0	0	0
Total Supply (1000 MT)	2222	2222	2233	2213	0	2238
MY Exports (1000 MT)	154	154	160	155	0	145
TY Exports (1000 MT)	154	154	160	155	0	145
Feed and Residual (1000 MT)	50	50	50	50	0	50
FSI Consumption (1000 MT)	1760	1760	1775	1805	0	1845
Total Consumption (1000 MT)	1810	1810	1825	1855	0	1895
Ending Stocks (1000 MT)	258	258	248	203	0	198
Total Distribution (1000 MT)	2222	2222	2233	2213	0	2238
Yield (MT/HA)	0	0	0	0	0	0
(1000 HA) ,(1000 MT) ,(MT/HA)						
MY = Marketing Year, begins with the month listed at the top of each column						
TY = Trade Year, which for Wheat begins in July for all countries. TY 2025/2026 = July 2025 - June 2026						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Attachments:

No Attachments